

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

**Date:** 8/30/2011

**GAIN Report Number:** TH1111

## Thailand

### Rice Price - Weekly

#### Weekly Rice Price Update

**Approved By:**

John Wade, Agricultural Counselor

**Prepared By:**

Srisuman Ngamprasertkit, Marketing Specialist

**Report Highlights:**

TH 1111 Domestic and export prices for white and parboiled rice decreased between 1-3 percent mainly due to a quote from the new Minister of Commerce that the government will release 2.1 million tons of paddy stock before the new crop comes out in November. Still, the Government also confirmed a rice policy (Paddy Pledging Program) with an aggressive intervention price of 15,000 baht/ton (\$500/MT) for white rice and 20,000 baht/ton (\$667/MT) for fragrant rice (Hommali). This week is a quiet week for the rice business as exporters and buyers wait to see Thailand rice price market trend.

Post:  
Bangkok

## Market Tones

<b>Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 29, 2011</b>									
<b>Quality</b>	<b>Exporter Observations</b>							<b>Period Average</b>	
	<b>#1</b>	<b>#2</b>	<b>#3</b>	<b>#4</b>	<b>#5</b>	<b>#6</b>	<b>#7</b>	<b>CUR.</b>	<b>HKV.</b>
<b>FWH 100B</b>	1,055	-	1,050	-	1,060	1,040	-	1,051	1,053
<b>WH 100B</b>	585	-	585	-	590	585	610	591	606
<b>PB 100%</b>	600	-	615	-	595	605	595	602	621
<b>PB 5%</b>	595	-	610	-	590	600	610	601	616
<b>WH 5%</b>	570	-	575	-	570	565	600	576	589
<b>WH 10%</b>	560	-	-	-	565	560	-	562	587
<b>WH 15%</b>	550	-	-	-	560	555	-	555	577
<b>WH 25%</b>	530	-	-	-	530	-	-	540	563
<b>WH 35%</b>	-	-	-	-	-	-	-	-	-
<b>A1 SDP</b>	475	-	-	-	460	-	-	468	468
<b>A1 SEC</b>	-	-	-	-	-	-	-	-	-
<b>Exchange rate: 29.80 baht/US\$</b>									
<b>Source: Average actual prices received from exporters</b>									

Domestic and export prices for white and parboiled rice decreased between 1-3 percent due to a quote from the new Minister of Commerce that the government will release 2.1 million tons of paddy stock before the new crop come out in November. The Government also confirmed a rice policy (Paddy Pledging Program) with an aggressive intervention price of 15,000 baht/ton (\$500/MT) for white rice and 20,000 baht/ton (\$667/MT) for fragrant rice (Hommati). This week is a quiet week for the rice business as exporters and buyers wait to see how Thailand's rice price market trend develops. The government's weekly benchmark price for white rice for August 29 – Sept 4, 2011 increased 5.1 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain the full insurance price, as compensation will fall short due to a higher benchmark price above the market price.

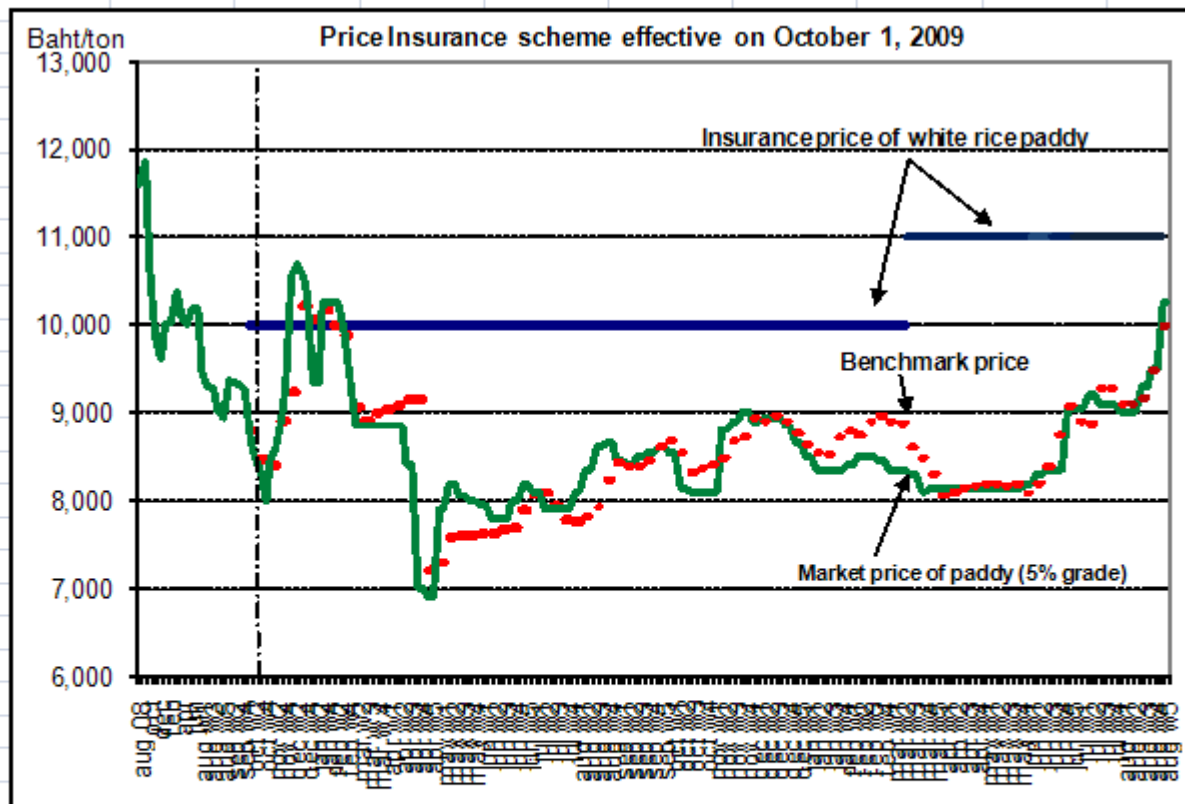
**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop**

	Rice paddy				
	Fragrant rice (Homma)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 <sup>a/</sup>	30 <sup>a/</sup>	30 <sup>a/</sup>
2. Insured prices (Baht/ton) <sup>d/</sup>	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) <sup>b/ c/</sup>					
Ang 1-7	-	-	10,622	15,138	9,091
Ang 8-14	-	-	10,669	15,063	9,090
Ang 15-21	-	-	10,690	14,614	9,173
Ang 22-28	-	-	11,009	14,794	9,465
Ang 29-Sept 4	-	-	11,547	14,918	9,983
4. Compensation (1-2), (Baht/ton)					
Ang 1-7	-	-	878	-	1,909
Ang 8-14	-	-	831	-	1,910
Ang 15-21	-	-	810	-	1,827
Ang 22-28	-	-	491	-	1,535
Ang 29-Sept 4	-	-	(47)	-	1,017
5. Market prices (Baht/ton)					
Ang 1-7	14,450	13,000	11,750	16,750	9,000
Ang 8-14	14,450	13,600	11,750	16,750	9,000
Ang 15-21	14,450	14,100	10,150	16,250	9,300
Ang 22-28	14,450	14,100	10,150	15,750	9,500
Ang 29-Sept 4 <sup>e/</sup>	14,450	14,000	11,000	15,250	10,250

Note:

<sup>a/</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop<sup>b/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.<sup>c/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>d/</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.<sup>e/</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.<sup>f/</sup> As of Aug 29, 2011

**Figure 1: Comparison of market price, insurance price, and benchmark price**



**Note:** 1/ Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

<sup>2/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

<sup>3/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

## Rice Export Update

Unofficial rice exports (excluding fragrant rice) August 23-28, 2011 totaled 156,711 tons, up 10,219 tons from the previous week, and up 17,272 tons from the four week moving average of 139,439 tons. Exports of white rice and parboiled rice during January 1 – August 28, 2011 totaled 6,503,039 tons, up 71.2 percent from 3,798,769 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – August 28, 2011 amounted to 8,067,403 tons, up 56.4 percent from 5,159,786 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
<b>WEEK ENDING</b>	<b>QUANTITY</b>	<b>4-WK AVG</b>	<b>YEAR TO DATE</b>	<b>YEAR AGO</b>	<b>YEAR TO DATE AS % OF LAST YEAR</b>
	<b>(MT)</b>	<b>(MT)</b>	<b>(TMT)</b>	<b>(TMT)</b>	<b>(%)</b>
Jun 12	235,908	224,785	4,618	2,649	74.3
Jun 19	206,226	230,747	4,824	2,754	75.2
Jun 26	234,849	229,912	5,059	2,854	77.3
Jul 3	185,298	215,570	5,244	2,941	78.3
Jul 10	193,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,603	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 7	131,189	159,732	6,076	3,501	73.6
Aug 14	123,362	149,309	6,200	3,581	73.1
Aug 21	146,492	141,812	6,346	3,660	73.4
Aug 28	156,711	139,439	6,503	3,799	71.2
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.</i>					
Source: Board of Trade of Thailand					

<b>Table 4: Weekly private registered rice export sales</b>				
<b>Movement (MT)</b>	<b>Aug. 1-5 (Revised)</b>	<b>Aug. 8-12 (Revised)</b>	<b>Aug. 15-19</b>	<b>Aug. 22-26</b>
<b>Weekly sales</b>	<b>173,225</b>	<b>112,309</b>	<b>272,691</b>	<b>245,991</b>
<b>4 week sum</b>	<b>709,394</b>	<b>627,697</b>	<b>761,463</b>	<b>804,216</b>
<b>4 week mov. avg.</b>	<b>177,349</b>	<b>156,924</b>	<b>190,366</b>	<b>201,054</b>
<b>Year-to-date sales</b>	<b>6,691,259</b>	<b>6,803,568</b>	<b>7,076,259</b>	<b>7,322,250</b>

End of report.